

**The North Atlantic Salmon
Conservation Organization**

**Report of the Fourteenth Annual Meeting of
The Finance and Administration Committee
9 June 1997, Ilulissat, Greenland**

Chairman: **Mr Eero Niemela (European Union)**

Vice-Chairman: **Mr Stetson Tinkham (USA)**

Secretary: **Dr Malcolm Windsor**

CNL(97)9

Contents

	<u>Page</u>
Report of the Fourteenth Annual Meeting of the Finance and Administration Committee, 9 June 1997, CNL(97)9	1
Annex 1 Agenda, FAC(97)6	5
Annex 2 1998 Draft Budget and 1999 Forecast Budget	7
Annex 3 List of Participants	11
Annex 4 List of Finance and Administration Committee Papers	13

CNL(97)9

Report Of The Fourteenth Annual Meeting Of The Finance And Administration Committee Of The North Atlantic Salmon Conservation Organization 9 June 1997 Hotel Arctic, Ilulissat, Greenland

1. Opening Of The Meeting

- 1.1 The Chairman of the Committee, Mr Eero Niemela (European Union), opened the meeting and welcomed delegates to Ilulissat.

2. Adoption Of Agenda

- 2.1 The Committee adopted its agenda, FAC(97)6, (Annex 1).

3. 1996 Audited Accounts

- 3.1 The Secretary introduced the audited accounts for 1996, (CNL(97)6). During the year a surplus of £3,609 was recorded which, because of the decision taken in 1994 to raise the ceiling of the Working Capital Fund, had been credited to that fund. He advised the Committee that the variance in staff related costs was due to changes in the Co-ordinated Organizations Scales, which had been discussed by the Committee at its last meeting, and to increases in insurance costs. The Committee considered the 1996 audited accounts and recommended that they be adopted by the Council.

4. Review Of The Annual Payment To ICES

- 4.1 For a number of years the Committee has reviewed, and expressed concern about the level of NASCO's contribution to ICES relative to that paid by other Commissions. The Secretary introduced document FAC(97)2 which summarised the continuing consultations between ICES and the Commissions which receive their scientific advice from ICES.
- 4.2 During the 1996 ICES Annual Science Conference, the Council of ICES had met with the Commissions. This meeting had allowed ICES to present the reasons for adopting a policy of 100% cost recovery and for the concerns of the Commissions to be presented. It had been agreed that a Working Group should be established to determine *inter alia* an equitable sharing of the costs of the core activities of ICES and of the requests for advice by the Commissions. At this meeting, which was held in Copenhagen in April 1997, further progress was made in that there was a new assessment of what constituted the core activities of ICES and those costs which could legitimately be attributed to the Commissions. This led to some of the activities previously allocated to the Commissions being re-defined as core activities of ICES and this re-allocation, together with some improvements in efficiency, means that the costs attributed to all the Commissions, including NASCO, will be lower. The Commissions are, therefore, much closer to paying 100% of ICES' costs than was previously the case.

- 4.3 The Committee considered a document which had been prepared by ICES and which detailed the headings and costs which ICES proposed to classify as core activities under the new scheme. The Committee welcomed the progress made and agreed that there should be further consultations with ICES concerning these details and on the need for stability in the payments by NASCO. The Committee also recognised the desirability of agreeing, in consultation with ICES, a core request for scientific advice. For 1997 the Committee agreed that the same payment be made as in 1996. Due to the redefinition of the core costs this represents an increase from 60.4% to 84.7% of ICES' costs. In principle, the Committee agreed to recommend that, given assurances on stability at close to present levels, NASCO's contribution to ICES could reach 100% by 1999 provided that other Commissions did likewise. The Committee asked the Secretary to continue to liaise with ICES and the other Commissions on this issue and to report back at the next meeting.

5. Methods Of Calculating The Contributions To NASCO

- 5.1 Last year the Committee had reviewed the report of a Working Group established to examine the formula by which the contributions to NASCO are calculated and to consider means of implementing any proposed modifications. This Group, which worked by correspondence, had agreed that there should be no change to the percentage of the budget which is shared equally (30%) and which is catch-related (70%) and that nominal catches should continue to be used as the basis for calculating contributions. However, concerns had been expressed about a proposal by Iceland to exclude ranched salmon from the statistics used to calculate the contributions to NASCO since ranched salmon feed in the same areas as wild salmon and their exclusion would set a precedent for enhancement programmes. The Committee agreed that the issue of exclusion of ranched salmon should be reconsidered in the light of any new information which could be provided by Iceland with regard to its proposal.
- 5.2 The representative of Iceland introduced document FAC(97)5 tabled in support of the proposal to exclude ranched salmon. He referred to the fact that the NASCO Convention indicates that the only salmon stocks of concern to the Parties are those originating in rivers and that it is these stocks which are in need of conservation and restoration measures. He also indicated that ranched salmon are of lower value than wild stocks and do not contribute to spawning populations of wild stocks. Furthermore he pointed out that the Icelandic catch statistics are very accurate and that there is practically no unreported catch. He expressed the view that when the Convention was drafted large scale ranching was not foreseen. For these reasons, Iceland believes that ranched salmon should be excluded from the catch statistics used to calculate the contribution to NASCO. It was not proposed that salmon resulting from Icelandic enhancement programmes be excluded, only those salmon harvested at ranching stations. For Iceland, the problem had been exacerbated by the reduction in the number of NASCO Parties which had resulted in an increase in the Icelandic contribution.
- 5.3 Concern was expressed by some Parties that the exclusion of ranched salmon would result in an increase in their contributions to NASCO and that for the reasons expressed at the last meeting of the Finance and Administration Committee they would prefer to retain the existing arrangement. Ranched salmon enter the Convention area and may compete with the wild stocks. The view was expressed that if ranching is declining because it is not profitable then the problem will disappear. The Committee recognised that ways of dealing with the problem of the Icelandic contributions might be

considered. The Committee agreed that it would not be possible to resolve the issue at the Fourteenth Annual Meeting since there were fundamental differences between the Parties on this issue. The Icelandic representative indicated that one possible compromise, instead of excluding ranched fish entirely, would be to agree on a factor which would be applied to the catch of ranched fish so as to find a more equitable method to calculate the contributions.

- 5.4 The view was expressed that an alternative arrangement would be for the Icelandic authorities to charge a levy on ranched salmon production which would form part of the contribution to NASCO. The Committee agreed to continue the study by the Working Group on contributions to NASCO. This work should focus on the Icelandic proposal and would be conducted by correspondence. It would examine options for resolving the problem well in advance of consideration of the 1999 budget at the Fifteenth Annual Meeting with a view to reaching a definitive solution. The Committee asked the Secretary to liaise with the Parties on this issue. However, it was stressed that there could be no guarantee of progress.

6. Consideration Of The 1998 Draft Budget, Schedule Of Contributions and 1999 Forecast Budget

- 6.1 The Secretary introduced the Draft 1998 budget, FAC(97)3, which despite the inclusion of a payment of £17,250 to the Stabilisation Fund, represents a reduction in real terms of 0.5% over 1997. (If the payment to the Stabilisation Fund was excluded the budget represents a reduction of 6% in real terms). It therefore continues the trend of reductions in real terms in the budget while allowing for growth of the Stabilisation Fund, to meet the Organization's future obligations, as agreed by the Committee at its last meeting. Reductions in real terms were proposed in all budget heads except Staff Related Costs and Meetings and the Secretary referred to the reasons for the increases in these sections.
- 6.2 The Committee agreed to recommend to the Council the adoption of the annexed Draft Budget and Schedule of Contributions (Annex 2).

7. Appointment Of Auditors

- 7.1 The Committee recommended to the Council the re-appointment of Coopers and Lybrand of Queen Street, Edinburgh as auditors for the 1997 accounts. The Secretary indicated that it had been possible to agree on some cost savings.

8. Any Other Business

- 8.1 The Chairman referred to the fact that the Vice-Chairman, Mr Stetson Tinkham (USA), was no longer able to serve in this capacity. The Committee elected Dr Jean-Pierre Plé (USA) to serve as Vice-Chairman until the next annual meeting of the Committee. The Chairman congratulated Dr Plé on his appointment and asked him to convey the Committee's gratitude to Mr Tinkham for his work as Vice-Chairman.
- 8.2 A list of participants is given in Annex 3.

FAC(97)6

**Finance And Administration Committee
9 June 1997
Hotel Arctic, Ilulissat, Greenland**

A G E N D A

1. Opening of the Meeting

2.

Adoption
of the
Agenda

3.

FA
C(97)1

1996
Audited
Accounts

4.

CN
L(97)6

Review of
the Annual
Payment to
ICES

5. FA
C(97)2
Methods of
Calculating
the
Contributio
ns to
NASCO
6. FA
C(97)5
Consideration of the 1998 Draft Budget, Schedule of Contributions
and 1999 Forecast Budget
7. FA
C(97)3
Appointment of Auditors
8. Any Other Business

**North Atlantic Salmon Conservation Organization
1998 Draft Budget And 1999 Forecast Budget (Pounds Sterling)**

Section	Description	Expenditure	
		Budget 1998	Forecast 1999
1	Staff Related Costs	207,820	214,040
2	Travel and Subsistence	28,250	36,590
3	Contribution to ICES	26,970	27,770
4	Contribution to Working Capital Fund	0	0
5	Meetings	18,750	19,310
6	Office Supplies, Printing and Translations	27,390	28,200
7	Communications	10,870	11,180
8	Headquarters Property	-21,650	-20,980
9	Office Furniture and Equipment	7,250	7,460
10	Audit and Other Expenses	8,350	8,590
11	Tag Return Incentive Scheme	4,550	4,550
	Total	318,550	336,710

		Revenue	
		Budget 1998	Forecast 1999
12	Contributions - Contracting Parties	324,800	341,710
13	Miscellaneous Income - Interest	11,000	10,000
14	Stabilisation	-17,250	-15,000
15	Surplus or Deficit (-) From 1996	0	0
	Total	318,550	336,710

Section 1	Staff Related Costs	Budget 1998	Forecast 1999
1.1	Secretariat members	138,790	142,950
1.2	Temporary and support staff	14,620	15,050
1.3	Pensions, allowances, public liability, insurances and other staff related costs	54,410	56,040
	TOTAL	207,820	214,040

Section 2	Travel and Subsistence	Budget 1998	Forecast 1999
2.1	Travel to post and annual meeting	0	7,500
2.2	Official travel and subsistence	28,250	29,090
	TOTAL	28,250	36,590

Section 3	Contribution to ICES	Budget 1998	Forecast 1999
3.1	Annual contribution	26,970	27,770

Section 4	Contribution To Working Capital Fund	Budget 1998	Forecast 1999
4.1	Working capital	0	0

Section 5	Meetings	Budget 1998	Forecast 1999
5.1	Costs of annual meeting	15,750	16,220
5.2	Costs of other meetings	3,000	3,090
	TOTAL	18,750	19,310

Section 6	Office Supplies, Printing And Translation	Budget 1998	Forecast 1999
6.1	Office supplies	15,250	15,700
6.2	Printing	6,000	6,180
6.3	Translations	6,140	6,320
	TOTAL	27,390	28,200

Section 7	Communications	Budget 1998	Forecast 1999
7.1	Telephone charges	4,060	4,180
7.2	Telex charges	290	290
7.3	Postal charges	6,520	6,710
	TOTAL	10,870	11,180

Section 8	Headquarters Property	Budget 1998	Forecast 1999
8.1	Capital and interest payments	0	0
8.2	Maintenance, services and other building related costs	22,480	23,150
8.3	LESS Income from property	44,130	44,130
	TOTAL	-21,650	-20,980

Section 9	Office Furniture And Equipment	Budget 1998	Forecast 1999
9.1	Furniture	1250	1,280
9.2	Equipment	6000	6,180
	TOTAL	7250	7,460

Section 10	Audit and Other Expenses	Budget 1998	Forecast 1999
10.1	Audit and accountancy fees	4,500	4,630
10.2	Bank charges and insurances	400	410
10.3	Miscellaneous	3,450	3,550
	TOTAL	8,350	8,590

Section 11	Tag Return Incentive Scheme	Budget 1998	Forecast 1999
11.1	Prize money	4,550	4,550

**NASCO Draft Budget Contributions For 1998 And Forecast
Budget Contributions For 1999 (Pounds Sterling)**

Catch (tonnes)	Party	Budget 1998	Forecast 1999
287	Canada	35,189	37,021
92	Denmark (Faroe Islands and Greenland)	20,738	21,818
1414	European Union	118,707	124,887
357	Iceland	40,376	42,478
787	Norway	72,242	76,003
131	Russian Federation	23,628	24,858
0	USA	13,920	14,645
3068	TOTAL	324,800	341,710

Contributions are based on the Official Catch Statistics as provided to NASCO. Column totals can be in error by a few pounds due to rounding.

North Atlantic Salmon Conservation Organization

**Meeting Of The
Finance And Administration Committee
9 June 1997, Ilulissat, Greenland**

List Of Participants

Mr Eero Niemela	(European Union) (Chairman)
Mr Richard Hegan	Canada
Mr Sofus Poulsen	Denmark (Faroe Islands and Greenland)
Mr Ole Tougaard	European Union
Mr Andrew Thomson	European Union
Mr Pekka Niskanen	European Union
Mr Tomas Heidar	Iceland
Mr Arni Isaksson	Iceland
Mr Steinar Hermansen	Norway
Ms Valentina Volkova	Russian Federation
Mr Alexander Zelentsov	Russian Federation
Mr Jerry Clark	United States of America
Dr Jean Pierre Plé	United States of America
Ms Kimberley Blankenbeker	United States of America
Dr Malcolm Windsor	Secretary
Dr Peter Hutchinson	Assistant Secretary

North Atlantic Salmon Conservation Organization

**Meeting of the
Finance and Administration Committee
9 June 1997, Hotel Arctic, Ilulissat, Greenland**

List of Finance and Administration Committee Papers

FAC(97)1	Draft Agenda
FAC(97)2	Review of the Annual Payment to ICES
FAC(97)3	1998 Draft Budget and 1999 Forecast Budget
FAC(97)4	Draft Report of the Meeting
FAC(97)5	Icelandic Proposal to exclude ranched salmon from the calculation of contributions
FAC(97)6	Agenda
CNL(97)5	Secretary's Report
CNL(97)6	Audited Accounts for 1995
CNL(97)9	Report of the Finance and Administration Committee
NOTE:	This list contains all papers submitted to the Committee prior to and at the meeting.